

fiscal year 1907, under the national system, with an average circulation of \$589,445,599, and redemptions of \$240,314,681, the charges, exclusive of transportation, were \$160,549, or at the rate of about 67 cents per \$1000. This rate, while much lower than the charges for earlier years, compares with a charge per \$1000 under the Suffolk system of about ten cents. *

The original banking act authorized the Comptroller of the Currency to appoint suitable persons to make examinations of the affairs of the banks at such times as the Comptroller thought proper and to make a full report to him. These officials were to be paid by the banks, but the expense was a charge levied by the Comptroller, and fixed by him, so that it did not make the examiner in any way subservient to the bank. Examinations were originally made on an average of about once a year, and other information was obtained by the Comptroller from four reports of condition required during the year, not at the end of each quarter, but at such dates as he saw fit to designate. The frequency of these reports was increased in 1870 to five per year, and the examinations were gradually made more severe as defects in the existing system were disclosed. The same person made all the examinations within a given district until the spring of 1893, when Comptroller Eckels adopted the plan of shifting the examiners of adjoining districts from time to time and of making two examinations during the year instead of one. The original purpose of the system of examination was the protection of the government and of the stockholders against palpable fraud, and was not intended to remit in any degree the vigilance of the directors of the banks. The public came by degrees to look more and more to the government examinations for the assurance of the soundness of the banks, and the system has become one of the most important and characteristic features of American banking.

The rapid expansion of the banking business of the country is indicated in the following table, showing the number

¹ Report on the Finances, 1907, 235-37. Total cost of redemptions from 1874 to 1907 was \$5,695,609, which included transportation charges of about \$2,100,000.